

ANNUAL REPORT

— OF THE —

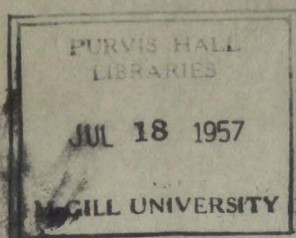
**CANADIAN NATIONAL RAILWAY
SYSTEM**

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FOR THE YEAR ENDED DECEMBER 31, 1936

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VICE-PRESIDENT AND MANAGER, CENTRAL VERMONT RAILWAY.....	E. DESCHENES.....	ST. ALBANS
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CHIEF ENGINEER, CONSTRUCTION.....	C. S. GZOWSKI.....	MONTREAL
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CANADIAN NATIONAL TELEGRAPHS

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GENERAL MANAGER.....	J. VAN WYCK.....	OTTAWA
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DIRECTOR.....	S. W. FAIRWEATHER.....	MONTREAL
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DIRECTOR.....	W. S. THOMPSON.....	MONTREAL
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CHIEF OF PERSONNEL.....	A. J. HILLS.....	MONTREAL
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ACTING MANAGER.....	C. S. GZOWSKI.....	MONTREAL
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COLONIZATION AND AGRICULTURE DEPARTMENT

DIRECTOR.....	DR. W. J. BLACK.....	MONTREAL
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MEDICAL DEPARTMENT

CHIEF MEDICAL OFFICER.....	DR. J. MCCOMBE.....	MONTREAL
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DIRECTOR.....	G. A. SHEA.....	MONTREAL
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ADMINISTRATOR.....	L. C. GROOM.....	MONTREAL
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EUROPEAN SECRETARY AND TREASURER	A. H. CONEYBEARE.....	LONDON
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CANADIAN NATIONAL RAILWAYS

Montreal, Que., March 10th, 1937.

The Honourable C. D. Howe, M.P.,
Minister of Transport,
Ottawa.

Sir,

In conformity with sections 14 and 15 of The Canadian National-Canadian Pacific Act, 1936, the Board of Directors submits the following report of the operations of the Canadian National Railways for the calendar year 1936.

RESULT OF OPERATIONS

	1936	1935	Increase or Decrease
Operating Revenues.....	\$186,610,489.38	\$173,184,501.82	\$13,425,987.56
Operating Expenses.....	171,477,690.07	158,926,248.66	12,551,441.41
Net Operating Revenue.....	\$15,132,799.31	\$14,258,253.16	\$874,546.15
Operating Ratio.....	91.89%	91.77%	
Net of Taxes, Rentals and Other Cash Requirements.....	8,723,888.05	7,427,254.27	1,296,633.78
Net Available for Interest.....	\$6,408,911.26	\$6,830,998.89	\$ 422,087.63
Interest on Funded Debt held by Public.....	49,184,622.87	53,468,792.22	4,284,169.35
Interest on Government Loans for Refunding.....	527,682.21	783,671.47	255,989.26
Cash Deficit.....	\$43,303,393.82	\$47,421,464.80	\$4,118,070.98

Operating Revenues

Gross operating revenues increased over those of the preceding year by \$13,425,987, or 7.75%. From the low point of \$148,519,742 in 1933, revenues increased progressively reaching \$164,902,502 in 1934, \$173,184,502 in 1935, and \$186,610,489 in 1936. These figures indicate that the severity of the depression is gradually easing. The effect of the economic disturbance on railway earnings may be judged from the fact that for the seven-year period 1923-1929 inclusive, the gross revenues of the System averaged \$278,024,509 per annum, while for the seven-year period 1930-1936 inclusive, the average was \$183,684,870 per annum.

The increase in freight revenues amounted to \$11,680,595, or 8.73%. All regions reported increases in tonnage in practically all of the principal commodities. A statement of revenue tonnage by commodities appears on Page 25. The increase in agricultural products carried amounted to 719,786 tons; in animal products 143,138 tons; in mine products 1,850,442 tons; in forest products 303,632 tons; while the increase in manufactures and miscellaneous tonnage amounted to 1,626,336 tons.

Passenger revenues increased \$367,917, or 2.21%. There was a reduction of approximately 13% in basic passenger fares, effective June 1st, 1936, and sleeping and parlour car surcharges were cancelled. The number of passengers carried increased by 377,705, and the average length of journey increased from 79.21 miles to 82.31 miles. There was again a small increase in coach excursion revenues.

There were increases in mail revenues of \$95,023, express of \$191,283, and in telegraph of \$407,390.

The revenues from hotel operations continued to improve and as a whole produced an operating profit in 1936, after taxes, of \$160,017.

Operating Expenses

Operating expenses for the year totalled \$171,477,690, as compared with \$158,926,249 for 1935, an increase of \$12,551,441, or 7.9%, the principal increases being as follows:

Increased transportation expenses necessitated by additional business.....	\$ 4,400,000
Increased expense incurred on account of snow, ice and floods.....	1,181,000
Expenditures on Unemployment Relief Maintenance of Way programme.....	1,015,000
Repayment to Dominion Government of money advanced under Supplementary Public Works Construction Act, 1935, to increase the employment of railway shop men on rolling stock repairs—first of three equal annual instalments.....	364,000
The policy of restriction of general maintenance of way was of necessity, in view of expected traffic, relaxed and larger expenditures were made for this purpose during the year, to the extent of.....	1,756,000
Increased expenditures on maintenance of rolling stock to bring a larger number of units to a state of efficiency on account of increased traffic and in anticipation of continued improvement.....	2,500,000
Equipment retirements chargeable to operating expenses increased.....	911,000
Increased pension costs chargeable to general expenses.....	424,000

The improvement in freight service operation noted in the 1935 report continued through 1936, as indicated by the following averages

	1936	1935*
Gross tons per freight train.....	1,399	1,368
Net tons per freight train.....	578	564
Gross ton miles per freight train hour.....	22,351	21,748
Miles per freight train hour.....	16.0	15.9
Fuel consumption per 1000 gross ton miles (pounds).....	124	126

*Revised to conform to classification prescribed January 1st, 1936.

Taxes, Rentals, etc.

Total taxes charged in 1936 for rail lines, express, telegraphs, hotels, lands and separately operated properties amounted to \$6,743,147, compared with \$6,044,176 in 1935, an increase of \$698,971. This is exclusive of sales tax added to the cost of material. Sales taxes in 1936 cost the railway approximately \$3,000,000. The cost of exchange in 1936 was \$943,342, against \$1,250,166 in 1935.

Interest on Funded Debt Held by the Public

The total requirements in 1936 were \$49,184,623 compared with \$53,468,792 in 1935, a decrease of \$4,284,169 brought about to a large extent by refunding operations at lower rates of interest.

CAPITAL EXPENDITURE ACCOUNT

The net change in Capital Account "Additions and Betterments—less Retirements"—amounted to \$892,799, made up as follows:—

Equipment purchased under Dominion Government Supplementary Public Works Construction Act, 1935	\$ 6,747,644
Senneterre-Rouyn Branch Line, authorized by Chap. 26, 1936.....	117,328
Vancouver Hotel.....	198,628
London Grade Separation and Station.....	169,849
Air-conditioning passenger cars.....	382,617
General Additions and Betterments, less Retirements (net).....	393,042
Equipment retirements.....	6,330,225
	\$ 892,799

The new station at London, Ontario, was officially opened on September 1st, by The Right Honourable Sir Percy Vincent, Bt., the Lord Mayor of London, England.

Construction has been commenced of the Senneterre-Rouyn Branch Line authorized by Chapter 26, 1936. The length of the projected line is 100.6 miles. The location surveys were commenced in June and completed in September. The contract for clearing, grading, culverts, trestles, and substructures of bridges was awarded in October. By February 15th of this year the contractor had completed 94.5 miles of clearing and some of the culvert and rock work. Five hundred and fifty men are employed on the project. This line will be of great assistance to the new mining development now taking place in northwestern Quebec. The Canadian National Railways generally are well located to serve the mining industry which is assuming an increasingly important position in the Canadian business structure.

FINANCE

Retirement of Obligations

The expenditures provided through the 1936 budget for the retirement of capital obligations, including sinking fund and equipment trust principal payments, were \$7,052,494.98.

Refunding of Maturing and Callable Obligations

The following securities matured or were called during 1936:

\$ 5,418,000.00	2%	Canadian National Temporary Guaranteed Bonds matured January 30th, 1936.
5,020,748.98	4%	Qu'Appelle, Long Lake & Sask. Debenture Stock matured July 1st, 1936.
1,134,512.46	3½%	Canadian Northern Ontario Debenture Stock matured July 10th, 1936.
24,220,000.00	6%	Grand Trunk Sinking Fund Gold Debenture Bonds matured September 1st, 1936.
2,359,000.00	4½%	National Transcontinental Rly. Branch Lines 1st Mortgage Sinking Fund Bonds called for redemption October 1st, 1936 at par.
760,173.33	5%	Mount Royal Tunnel & Terminal 1st Mortgage Rent Charge Bonds called for redemption October 15th, 1936 at 105%.
\$38,912,434.77		

The Dominion Government advanced \$38,450,970.20 to retire these obligations, which amount has since been repaid from the proceeds of bond issues. The remainder was provided by sinking fund balances, etc.

New Issues

Under authority of the Refunding Act of 1935 an issue of Canadian National Railway Company Dominion Guaranteed Bonds was made, dated February 15th, 1936, comprising:—

\$55,000,000	2%	seven-year bonds, sold at 98.025% at an annual cost of 2.31%.
25,000,000	3%	seventeen-year bonds, sold at 96.75% at an annual cost of 3.25%.

The proceeds of the issue, \$78,101,250, were utilized to retire temporary refunding loans made by the Government during 1935 and 1936.

CO-OPERATIVE MEASURES

During the year co-operative economies were effected by the abandonment of 27 miles of Canadian Pacific line between Cyr Junction and Edmundston, and of 11 miles of Canadian National line between Farnham and Iberville. In each case the abandoned line was parallel to another line which is now jointly used. The estimated joint economy from these measures is \$42,000 per annum.

Your Directors since their appointment have been and are giving earnest consideration to the subject of further co-operative measures with the Canadian Pacific Railway.

Agreements have been completed with the Pennsylvania Railroad Company for the joint use of the Grand Trunk car ferries operating across Lake Michigan between Muskegon, Mich., and Milwaukee, Wis., together with the joint use of the dock and terminal facilities at those two points. Joint operation under the agreements commenced January 15th, 1937. It is expected there will be substantial savings in operating and interest costs as the result of the arrangements made.

Studies of various projects involving co-operation with other companies are in progress.

GENERAL

Employees, Wages, etc.

The average number of employees in service during the year 1936 was 78,836 as compared with 75,053 in 1935, an increase of 3,783, or 5.04%. The total payroll expense for 1936 was \$111,221,129 as compared with \$104,861,521 in 1935. These increases do not include employees and their compensation engaged under the special unemployment relief arrangement with the Dominion Government.

The 10% wage deduction effective since May 1st, 1935 by agreement with employees on Canadian Lines, was continued through the year 1936. In October certain groups of employees of the Canadian National Railways and Canadian Pacific Railway Company, acting collectively, applied to the Minister of Labour for a Conciliation Board to consider their request for the removal of the 10% wage deduction. The application was on behalf of the majority of railway employees in Canada and over 100,000 employees are involved. The Board was duly established and held sittings in both Montreal and Ottawa. The report containing the recommendations of the Board in the matter was issued January 30th, 1937. The railways, on February 4th, 1937, informed the Department of Labour that they accepted the recommendations of the Board as forming the basis of an agreement and jointly put into effect the first of the Board's recommendations, namely, that the deduction be reduced from 10 to 9 per cent on February 1st, 1937. The employees' nominee on the Board made a minority report. The representatives of the men informed the Minister of Labour that they would not accept the recommendations of the Board.

In October Canadian National employees covered by schedule for "Clerks and Other Classes of Employees," numbering approximately 9,000, also applied for a Board in connection with their request for the removal of the 10% wage deduction. The Board was established towards the end of December and the dispute heard during the early part of February 1937. The Board's report has not been made at the time of writing.

Although the management and men do not always agree in the matter of wage adjustments, nevertheless there exists generally a very good feeling.

Beginning January 1st, 1937, the main shops of the system have been placed on an increased schedule of five days per week.

Unemployment Relief Expenditures

In co-operation with the Dominion Government arrangements were made to provide employment for about 5,000 men from relief camps during the summer months. In addition the railway employed upwards of 1,000 men in the operation of steam shovels, work train service, etc., in connection with the relief programme. The work undertaken consisted of maintenance and betterment work usually performed by extra gangs but did not reduce the normal seasonal programme of such work which was somewhat in excess of that in 1935. The Government assumed the charges for wages and transportation of the relief workers amounting to \$1,324,344, and the railway assumed the charges for supervision, timekeeping, train service and the conversion of equipment units into boarding and sleeping cars amounting to \$1,136,000. Of this, \$1,015,000 was maintenance expense, the balance capital. The plan was beneficial to the railway and assisted the Government in dealing with the difficult problem of unemployment.

Reference was made in the last annual report to the Supplementary Public Works Construction Act, 1935. Delivery of new equipment purchased under this Act was completed during 1936 at a cost of \$6,747,644, and the increased employment of railway shop forces to the extent of two additional working days per month, under this Act, effective July 1st, 1935, was concluded March 1st, 1936, at a total cost of \$1,183,592.

Canadian National Pension Plans

Under the various pension plans in effect on the Canadian National Railway System, 834 employees were retired during the year; pensioners deceased during the year numbered 410; and the number on pension at December 31st, 1936, totalled 6,292.

United States Railroad Retirement Act

Pending settlement of the situation regarding pensions for railroad employees in the United States, 3½% was withheld from United States employees' wages and an equal amount was set aside by the railway but payments to the United States Treasury have been withheld. The arrangement for temporary allowances to retired United States employees, referred to in last year's report, is being continued.

United States Social Security Act

All the States except one in which Canadian National Railways operate have passed unemployment compensation laws effective during 1936. Some States require contributions by the employees but all the States together with the Federal Government tax the employer, the tax in 1936 representing approximately 1% of the payroll, increasing to 2% in 1937. The cost to the Canadian National System during 1936 was \$195,000.

An event of historic significance was celebrated July 21st, 1936, on the occasion of the one hundredth anniversary of the opening of the first railway in Canada, the Champlain & St. Lawrence Railway, now part of the National System. Although the development of railway transportation in Canada, which then had its inception, has brought about with the passing of the years difficult financial problems it is unquestionable that the railways have played an all important part in the development of the Dominion.

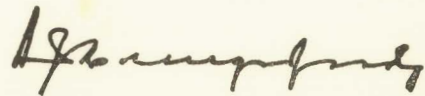
Progress is being made with the programme of air-conditioning passenger cars with a view to increasing the attractiveness of railway travel. Considerable research has been carried on, in co-operation with other railroads, including studies of investment expenditure and cost of maintenance and operation. The programme for 1937 provides for the air-conditioning of 128 cars. Together with the 70 units in the 1936 programme the railway will have 198 air-conditioned cars by the end of 1937. In addition fifty coaches being purchased in 1937 will also be air-conditioned. The Pullman Company operates 53 air-conditioned cars over Canadian National lines.

This Board of Directors, which replaced the Trustees in the direction and control of the Canadian National Railways, took office on October 1st, 1936.

A survey of business conditions in Canada leads to the conviction that progress will continue to be made during 1937, probably with accelerating momentum, and every effort will be made to secure for Canadian National Railways a full share of the additional traffic thereby created. The Directors hope that such increased activity will be adequately reflected in increased net earnings.

Acknowledgment is made of the loyal and efficient service rendered by officers and employees, and of the patronage given to Canadian National Railways by the public, throughout the year 1936.

For the Board of Directors,



Chairman.

CONSOLIDATED BALANCE SHEET

ASSETS			
INVESTMENTS:			
Investment in Road and Equipment.....		\$2,095,114,003.88	
Improvements on Leased Railway Property.....		4,248,964.14	
Sinking Funds:			
System Securities at par.....	\$245,854.23		
Other Assets at Cost.....	258,199.55	504,053.78	
Deposits in lieu of Mortgaged Property Sold:			
System Securities at par.....	\$736,000.00		
Other Assets at Cost.....	4,751,731.45	5,487,731.45	
Miscellaneous Physical Property.....		59,814,644.23	
Investments in Affiliated Companies.....		31,642,437.30	
Other Investments.....		741,397.31	\$2,197,553,232.09
CURRENT ASSETS:			
Cash.....		6,643,889.73	
Special Deposits.....		7,329,892.97	
Traffic and Car-Service Balances Receivable.....		1,625,702.87	
Net Balances Receivable from Agents and Conductors.....		4,671,503.84	
Miscellaneous Accounts Receivable.....	\$4,116,325.38		
Dominion Government-Balance due on Deficit			
Contributions.....	15,814,624.57	19,930,949.95	
Material and Supplies.....		25,958,347.51	
Interest and Dividends Receivable.....		507,346.90	
Rents Receivable.....		56,424.07	
Other Current Assets.....		641,672.66	67,365,730.50
DEFERRED ASSETS:			
Working Fund Advances.....		201,015.54	
C. N. R. Insurance Fund:			
System Securities at par.....	\$4,848,613.70		
Other Assets at Cost.....	6,910,537.93	11,759,151.63	
Other Funds.....		18,256.25	
Other Deferred Assets.....		6,655,458.15	18,633,881.57
UNADJUSTED DEBITS:			
Rents and Insurance Premiums paid in Advance.....		223,656.88	
Discount on Capital Stock.....		189,500.00	
Discount on Funded Debt.....		11,882,787.47	
Other Unadjusted Debits.....		4,520,180.24	16,816,124.59
			<u>\$2,300,368,968.75</u>

The accounts of the System are stated in Canadian Currency-Sterling and United States currencies being converted at the par of exchange.

Depreciation Accounting is applied to rolling stock owned by United States Lines and to certain fixed property, and Retirement Accounting is applied on the basis of original cost to other units of property on the System.

No reserve is accrued for pensions under the Canadian National Railways Pension Fund 1935. Actual pension payments are charged currently to operating expenses account "Pensions".

For contingent liabilities see page 22.

AT DECEMBER 31, 1936.

		LIABILITIES	
STOCKS:			
Capital Stocks owned by Dominion Government.....	\$265,628,338.70		
Capital Stocks owned by Public.....	4,584,100.00		\$270,212,438.70
GOVERNMENTAL GRANTS:			
Grants in Aid of Construction:			
By Province of Canada prior to Confederation.....	15,142,633.33		
Other.....	3,013,748.90		18,156,382.23
LONG TERM DEBT:			
Funded Debt Unmatured.....			1,184,612,248.59
LOANS FROM DOMINION OF CANADA:			
Temporary Loans obtained for redemption of funded debt, pending refunding—interest paid.....	35,076,695.20		
Other Loans from Dominion of Canada.....	\$686,007,330.03		
Interest on above accrued but unpaid.....	530,832,597.67	1,216,839,927.70	1,251,916,622.90
DOMINION OF CANADA EXPENDITURES FOR CANADIAN GOVERNMENT RAILWAYS:			
Road and Equipment included in System Investment Acct.....	388,290,263.52		
Working Capital.....	16,771,980.54		405,062,244.06
CURRENT LIABILITIES:			
Traffic and Car-Service Balances Payable.....	4,243,428.89		
Audited Accounts and Wages Payable.....	6,861,561.28		
Miscellaneous Accounts Payable.....	3,794,140.39		
Interest Matured Unpaid.....	8,332,966.50		
Funded Debt Matured Unpaid.....	878,649.24		
Unmatured Interest Accrued.....	9,208,833.21		
Unmatured Rents Accrued.....	393,760.98		
Other Current Liabilities.....	1,638,518.77		35,351,859.26
DEFERRED LIABILITIES:			
Other Deferred Liabilities.....			3,331,771.52
UNADJUSTED CREDITS AND RESERVES:			
Tax Liability.....	2,135,878.78		
C. N. R. Insurance Reserve.....	11,759,151.63		
Accrued Depreciation—Road..... U.S. Lines	2,487,819.55		
Accrued Depreciation—Equipment..... U.S. Lines	13,157,059.46		
Accrued Depreciation—Miscellaneous Physical Property..... U.S. Lines	1,636,969.44		
Other Unadjusted Credits and Reserves.....	5,204,240.68		36,381,119.54
PROFIT AND LOSS BALANCE— <i>Deficit</i>			904,655,718.05
\$2,300,368,968.75			

J. B. McLAREN,
Comptroller.

CERTIFICATE OF AUDITORS

We have examined the books and records of the companies comprising the Canadian National Railway System for the year ended the 31st December, 1936.

The investments in properties and equipment appearing in the books of the companies as at the 1st January, 1923, were accepted by us.

The liabilities to the Dominion of Canada are stated in accordance with the certified reconciliation received from the Dominion Government.

Subject to the foregoing and our report to Parliament, we certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System as at the 31st December, 1936, and that the relative Income and Profit and Loss Accounts for the year ended the 31st December, 1936, are correctly stated.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

Dated at Montreal, 10th March, 1937.

PROFIT AND LOSS STATEMENT

	Year 1936	Year 1935
CREDITS:		
Credits from retired Road and Equipment.....	\$22,351.25	\$24,631.40
Donations.....	47,491.01	30,328.73
Miscellaneous Credits.....	291,047.91	586,835.09
Total Credits.....	<u>\$360,890.17</u>	<u>\$641,795.22</u>
DEBITS:		
Surplus appropriated for Investment in Physical Property.....	\$707.34	\$2,064.34
Miscellaneous appropriations of Surplus.....	21,831.81	27,681.07
Debits for retired Road and Equipment.....	5,952,442.36	29,111,717.21
Delayed Income Debits.....		48,295.61
Miscellaneous Debits.....	7,114,390.53	1,961,230.55
Total Debits.....	<u>\$ 13,045,708.42</u>	<u>\$ 31,095,626.64</u>
Net Profit and Loss Items <i>Debit</i>	12,684,818.25	30,453,831.42
Net Income <i>Deficit</i> transferred.....	43,197,346.04	48,878,181.67
Interest on Dominion Government Loans.....	36,428,873.59	35,949,676.70
System Net <i>Loss</i>	<u>\$ 92,311,037.88</u>	<u>\$ 115,281,689.79</u>
Deduct: Contributions for deficits from the Government		
	1936	1935
C.N. Railways.....	\$ 37,449,321.57	\$ 41,795,757.24
Eastern Lines.....	5,550,632.36	5,265,373.20
P.E.I. Car Ferry & Terminals.....	303,439.89	360,334.36
Eastern Lines' interest on Government Loans.....	<u>626,413.21</u>	<u>626,413.21</u>
Change during year in Profit and Loss Account.....	48,381,230.85	67,233,811.78
Balance at January 1st.....	856,274,487.20	789,040,675.42
Balance at December 31st.....	<u><u>\$ 904,655,718.05</u></u>	<u><u>\$ 856,274,487.20</u></u>

CONSOLIDATED SYSTEM INCOME STATEMENT

	Year 1936	Year 1935
Railway Operating Revenues.....	\$ 186,610,489.38	\$ 173,184,501.82
Railway Operating Expenses.....	171,477,690.07	158,926,248.66
Net Revenue from Railway Operations.....	15,132,799.31	14,258,253.16
Railway Tax Accruals.....	5,859,062.59	5,209,133.04
Uncollectible Railway Revenues.....	.....	94,037.61
Railway Operating Income.....	9,273,736.72	8,955,082.51
Rent from Locomotives.....	100,842.88	106,062.42
Rent from Passenger-Train Cars.....	217,843.77	220,595.99
Rent from Floating Equipment.....	315.00	4,557.50
Rent from Work Equipment.....	119,715.82	116,961.19
Joint Facility Rent Income.....	1,527,715.54	1,547,892.43
Hire of Freight Cars—Debit Balance.....	1,441,522.85	1,019,933.12
Rent for Locomotives.....	33,731.43	29,290.60
Rent for Passenger-Train Cars.....	282,723.17	199,272.16
Rent for Floating Equipment.....	1,464.14	1,283.49
Rent for Work Equipment.....	26,488.93	7,834.31
Joint Facility Rents—Debit.....	2,248,097.15	2,269,417.11
Net Railway Operating Income.....	7,206,142.06	7,424,121.25
Revenue from Hotel Operations.....	2,859,306.08	2,389,894.82
Expenses of Hotel Operations.....	2,565,972.91	2,163,040.77
Taxes on Hotel Property.....	133,316.13	125,083.29
Net Hotel Operating Income.....	160,017.04	101,770.76
Income from Lease of Road.....	51,290.09	51,474.25
Miscellaneous Rent Income.....	1,051,523.62	1,027,910.24
Miscellaneous Non-Transportation Property—Credit.....	83,578.74	42,091.36
Dividend Income.....	845,927.15	549,703.80
Income from Funded Securities.....	1,392,717.28	1,422,568.02
Income from Unfunded Securities and Accounts.....	58,253.90	75,110.51
Income from Sinking and Other Reserve Funds.....	228,388.37	538,997.38
Miscellaneous Income.....	417,707.85	222,447.16
Miscellaneous Rents—Debit.....	482,263.29	508,201.79
Miscellaneous Tax Accruals.....	142,483.78	144,407.08
Separately Operated Properties—Loss.....	905,837.02	1,373,060.49
Miscellaneous Income Charges.....	989,870.82	1,328,253.44
Miscellaneous appropriations of Income.....	.....	87,636.11
Income Available for Fixed Charges.....	8,975,091.19	8,014,635.82
Rent for Leased Roads.....	1,372,228.69	1,372,712.38
Interest due Public on Long Term Debt.....	49,184,622.87	53,468,792.22
Interest on Unfunded Debt.....	206,802.59	182,125.15
Interest on Government Loans for refunding.....	527,682.21	783,671.47
Amortization of Discount on Funded Debt.....	881,100.87	1,085,516.27
Total Fixed Charges.....	52,172,437.23	56,892,817.49
Net Income <i>Deficit</i> before Interest on Dominion Government Loans, transferred to Profit and Loss.....	\$ 43,197,346.04	\$ 48,878,181.67

OPERATING REVENUES

	Year 1936	Year 1935
Freight.....	\$143,664,112.98	\$132,149,362.45
Maritime Rates Reduction.....	1,824,028.90	1,658,183.90
Passenger.....	17,021,745.88	16,653,828.87
Excess Baggage.....	79,770.09	76,295.07
Sleeping Car.....	1,069,735.80	957,319.97
Parlor and Chair Car.....	158,740.10	138,805.31
Mail.....	3,355,110.40	3,260,087.96
Railway Express Agency.....	384,494.29	331,353.63
Express.....	8,497,630.03	8,306,346.94
Other Passenger Train.....	48,762.40	50,143.89
Milk.....	410,200.22	459,745.36
Switching.....	2,338,364.58	2,060,652.72
Water Transfers—Freight.....	34,889.95	47,809.46
Water Transfers—Passenger.....	31,266.79	22,033.48
Water Transfers—Vehicles and Live Stock.....	27,017.00	21,924.90
Water Transfers—Other.....	2,915.62	2,286.00
Dining and Buffet.....	730,076.01	677,718.83
Restaurants.....	11,274.70	10,672.60
Station, Train and Boat Privileges.....	85,974.04	83,997.90
Parcel Room.....	34,644.51	31,523.78
Storage—Freight.....	126,225.46	112,460.03
Storage—Baggage.....	12,802.38	12,151.73
Demurrage.....	270,819.64	263,201.88
Telegraph and Telephone.....	9,574.78	9,960.98
Telegraph—Commercial.....	4,407,427.19	4,000,037.00
Grain Elevator.....	197,541.28	198,659.92
Rents of Buildings and other Property.....	292,518.51	290,617.77
Miscellaneous.....	1,177,061.47	997,774.23
Joint Facility—Credit.....	360,015.72	353,572.15
Joint Facility—Debit.....	54,251.34	54,026.89
	<u>\$186,610,489.38</u>	<u>\$173,184,501.82</u>

SUMMARY OF OPERATING EXPENSES

Maintenance of Way and Structures.....	\$37,827,918.68	\$34,420,886.01
Maintenance of Equipment.....	38,516,719.93	34,393,564.60
Traffic.....	4,746,576.64	4,740,013.20
Transportation.....	81,528,062.53	77,131,971.52
Miscellaneous Operations.....	1,120,081.85	1,015,264.84
General.....	8,242,410.52	7,636,463.66
Transportation for Investment—Credit.....	504,080.08	411,915.17
	<u>\$171,477,690.07</u>	<u>\$158,926,248.66</u>

MAINTENANCE OF EQUIPMENT EXPENSES

	Year 1936	Year 1935
Superintendence.....	\$1,224,205.37	\$1,207,676.44
Shop Machinery.....	1,236,446.52	1,083,996.29
Power Plant Machinery.....	157,629.44	68,039.25
Steam Locomotives—Repairs.....	11,253,438.67	10,216,215.75
Other Locomotives—Repairs.....	77,886.65	101,990.44
Freight Train Cars—Repairs.....	10,456,634.19	9,974,601.39
Passenger Train Cars—Repairs.....	4,902,361.27	3,817,957.24
Floating Equipment—Repairs.....	123,032.78	160,724.69
Work Equipment—Repairs.....	1,567,021.53	1,046,534.70
Miscellaneous Equipment—Repairs.....	20,394.26	21,306.44
Express Equipment—Repairs.....	85,814.84	87,306.37
Express Equipment—Retirements.....	50,506.05	36,819.49
Equipment Retirements (Demolition Cost).....	80,316.03	58,542.70
Equipment Retirements—Canadian Lines.....	5,549,214.48	4,786,740.85
Depreciation, U. S. Lines only.....	1,505,753.25	1,500,034.30
Injuries to Persons.....	211,109.34	222,027.54
Insurance.....	51,317.97	45,617.35
Stationery and Printing.....	37,318.25	35,237.83
Other Expenses.....	6,368.72	5,757.56
Maintaining Joint Equipment—Debit.....	60,205.91	57,642.31
Maintaining Joint Equipment—Credit.....	140,255.59	141,204.33
	<u>\$38,516,719.93</u>	<u>\$34,393,564.60</u>

TRAFFIC EXPENSES

Superintendence.....	\$1,498,848.36	\$1,486,434.57
Outside Agencies.....	2,162,670.79	2,175,588.32
Advertising.....	515,647.49	515,652.44
Traffic Associations.....	84,143.21	86,556.44
Stationery and Printing.....	258,817.98	249,601.61
Other Expenses.....	6,987.94	3,916.42
Industrial Bureau.....	75,910.19	77,136.92
Colonization, Agriculture and Natural Resources.....	143,550.68	145,126.48
	<u>\$4,746,576.64</u>	<u>\$4,740,013.20</u>

TRANSPORTATION EXPENSES

	Year 1936	Year 1935
Superintendence.....	\$2,753,165.44	\$2,764,008.51
Dispatching Trains.....	1,098,254.28	1,059,723.91
Station Employees.....	12,349,055.75	11,785,857.95
Weighing, Inspection and Demurrage Bureaus.....	63,512.06	58,743.00
Station Supplies and Expenses.....	1,184,100.13	1,128,288.11
Yardmasters and Yard Clerks.....	2,069,071.14	1,989,695.11
Yard Conductors and Brakemen.....	3,768,126.35	3,465,002.19
Yard Switch and Signal Tenders.....	437,687.52	432,721.31
Yard Enginemen.....	2,650,295.07	2,431,503.72
Yard Motormen.....	41,824.54	43,333.87
Yard Switching Fuel.....	2,857,286.62	2,655,854.19
Yard Switching Power Produced.....	8,889.44	8,863.83
Yard Switching Power Purchased.....	64,294.38	58,857.01
Water for Yard Locomotives.....	139,630.13	141,201.77
Lubricants for Yard Locomotives.....	32,133.50	31,951.30
Other Supplies for Yard Locomotives.....	25,511.23	22,801.60
Enginehouse Expenses—Yard.....	959,141.92	947,698.55
Yard Supplies and Expenses.....	111,945.66	110,613.59
Operating Joint Yards and Terminals—Debit.....	858,255.86	790,356.18
Operating Joint Yards and Terminals—Credit.....	1,185,943.62	1,141,544.54
Train Enginemen.....	7,418,005.88	6,888,248.74
Train Motormen.....	116,332.36	123,541.03
Train Fuel.....	13,913,030.81	12,929,153.83
Train Power Produced.....	9,851.15	9,942.42
Train Power Purchased.....	40,184.17	38,512.88
Water for Train Locomotives.....	789,916.45	769,737.03
Lubricants for Train Locomotives.....	269,077.77	251,063.66
Other Supplies for Train Locomotives.....	123,151.56	111,503.80
Enginehouse Expenses—Train.....	2,698,983.45	2,663,611.43
Trainmen.....	8,317,268.01	7,780,620.61
Train Supplies and Expenses.....	4,785,098.34	4,491,148.59
Operating Sleeping Cars.....	685,599.46	648,374.38
Signal and Interlocker Operation.....	407,267.57	421,034.27
Crossing Protection.....	519,410.76	519,166.32
Drawbridge Operation.....	89,435.67	86,089.21
Telegraph and Telephone Operation.....	221,943.92	222,973.14
Telegraph—Commercial.....	3,204,350.64	3,073,803.16
Operating Floating Equipment.....	923,478.11	916,009.71
Express—C. N. R.....	4,550,198.97	4,393,463.62
Stationery and Printing.....	393,807.19	374,061.72
Other Expenses.....	155,839.07	160,030.66
Operating Joint Tracks and Facilities—Debit.....	194,814.84	180,733.23
Operating Joint Tracks and Facilities—Credit.....	356,249.01	356,720.27
Insurance.....	11,215.00	.....
Clearing Wrecks.....	205,570.80	149,065.79
Damage to Property.....	57,604.60	50,259.04
Damage to Live Stock on Right of Way.....	37,937.82	37,936.54
Loss and Damage—Freight.....	572,078.42	475,097.60
Loss and Damage—Baggage.....	1,558.73	5,780.10
Injuries to Persons.....	885,062.62	932,198.12
	<u>\$81,528,062.53</u>	<u>\$77,131,971.52</u>

MISCELLANEOUS OPERATING EXPENSES

	Year 1936	Year 1935
Dining and Buffet Service.....	\$1,040,100.21	\$937,993.28
Restaurants.....	8,963.39	8,268.01
Grain Elevators.....	42,769.48	42,418.18
Other Miscellaneous Operations.....	28,248.77	26,585.37
	<u>\$1,120,081.85</u>	<u>\$1,015,264.84</u>

GENERAL EXPENSES

Salaries and Expenses of General Officers.....	\$ 380,937.08	\$ 398,963.17
Salaries and Expenses of Clerks and Attendants.....	2,946,848.09	2,923,982.11
General Office Supplies and Expenses.....	202,550.64	186,216.34
Law Expenses.....	316,482.31	321,537.64
Relief Department Expenses.....	27,500.00	27,500.00
Pensions.....	3,946,110.84	3,381,072.89
Stationery and Printing.....	120,146.25	111,866.67
Valuation Expenses.....	27,080.92	29,826.22
Other Expenses.....	262,884.82	245,694.89
General Joint Facilities—Debit.....	22,078.05	19,879.68
General Joint Facilities—Credit.....	10,208.48	10,075.95
	<u>\$8,242,410.52</u>	<u>\$7,636,463.66</u>

ADDITIONS AND BETTERMENTS LESS RETIREMENTS

Expenditures
Year 1936

ROAD:

New Lines Constructed.....	\$ 120,050.78
Montreal Terminal Development Chapter No. 12—1929.....	21,482.78
Toronto Viaduct.....	16,599.71
Wider Woodward Avenue, Detroit.....	469.49
Line Diversions and Revisions.....	84,130.20
Lines Abandoned.....	410,925.74
Rails and Fastenings.....	668,323.04
Tie Plates and Rail Anchors.....	757,098.35
Ties—Cost of Treating.....	1,296,962.14
Ballast.....	316,831.07
Widening Cuts and Fills and Scaling Rock Cuts.....	32,992.28
Ditching, Drainage and Sewers.....	224,953.32
Large Freight Terminals.....	78,654.88
Large Passenger Terminals.....	171,651.14
Yard Tracks and Sidings.....	317,494.80
Bridges, Trestles and Culverts.....	664,337.38
Crossing Protection, Including Subways.....	394,952.95
Stations and Station Facilities.....	21,061.56
Water Supplies.....	23,546.94
Shops, Enginehouses and Machinery.....	216,114.09
Docks and Wharves.....	164,090.97
Signals and Interlockers.....	30,738.88
Telegraphs—Railway.....	15,990.75
Telegraphs—Commercial.....	139,651.60
Stores Department, Buildings and Equipment.....	35,210.82
Assessments for Public Improvements.....	100,801.94
Land.....	103,166.34
General Additions and Betterments.....	380,064.39

Total.....	\$4,668,909.65
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EQUIPMENT:

Rolling Stock Purchased, Built or Acquired.....	\$7,002,778.13
Additions and Betterments to Rolling Stock (including Conversions).....	1,360,597.79
Retirement of Rolling Stock.....	6,330,224.63
Equipment Transfers.....	171,924.85
Express and Miscellaneous Equipment.....	11,917.99
Floating Equipment.....	7,274.56

Total.....	\$1,880,418.99
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HOTELS	\$ 267,946.82
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SEPARATELY OPERATED PROPERTIES:.....	\$ 122,305.61
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NET ADDITIONS AND BETTERMENTS EXPENDITURES.....	\$6,939,581.07
Lines Abandoned etc.....	6,046,782.26

Change per Balance Sheet Accounts.....	\$ 892,798.81
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RECEIPTS AND EXPENDITURES **14 YEARS — 1923 - 1936**

RECEIPTS:

Cash on hand:—		
On hand January 1, 1923.....	\$20,790,857.20	
On hand December 31, 1936.....	13,973,782.70	\$6,817,074.50
Funded Debt issued and retired:—		
New Issues, par.....	803,457,891.31	
Retirements, par.....	423,348,786.78	
	380,109,104.53	
Discount.....	22,126,256.00	357,982,848.53
Dominion of Canada Loans:—		
Temporary Loans.....	77,223,466.97	
Other Loans.....	136,914,589.19	214,138,056.16
Income Deficits, Can. Nat. Rys. contributed by Dominion, 1932-1936.....	227,521,384.49	
Income Deficits, Eastern Lines, contributed by Dominion, July 1927-1936.....	56,895,208.69	284,416,593.18
Appropriations from Public Funds for capital expenditures on Canadian Government Railways.....		5,760,131.66
Reduction in Sinking Funds.....		4,125,801.44
Reduction in Working Capital and other balance sheet accounts.....		15,215,192.63
		<u>\$888,455,698.10</u>

EXPENDITURES:

Investment in Fixed Railway Property.....	\$269,926,553.43	
" Equipment.....	117,718,010.35	
" Hotels.....	26,021,727.15	
" Separately Operated Properties.....	14,366,263.23	
" Affiliated Companies.....	40,223,580.48	468,256,134.64
" Insurance Fund.....		9,739,532.53
Profit and Loss: Excluding Interest on Government Loans*.....	492,719,861.71	
Less: Non-cash items included in above.....	72,520,298.25	
	420,199,563.46	
Deduct: Appropriations for Insurance Fund.....	9,739,532.53	410,460,030.93
		<u>\$888,455,698.10</u>

*\$467,943,247.34

FUNDED DEBT — PRINCIPAL AND INTEREST

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1936	Interest Accrued 1936
GUARANTEED BY DOMINION GOVERNMENT:					
5% Perpetual Debenture Stock.....	G.T.R.	1875 to 1883	Perpetual	\$20,782,491.67	\$1,039,124.58
5% G.W. Perp. Debtr. Stock and Bonds...	G.T.R.	1858 to 1876	Perpetual	13,252,322.67	662,616.12
4% Perpetual Debenture Stock.....	G.T.R.	1883 to 1918	Perpetual	119,839,014.33	4,793,560.56
4% Nor. Rly. Perpetual Debtr. Stock.....	G.T.R.	July 31, 1884	Perpetual	1,499,979.67	59,999.18
4% Perpetual Guaranteed Stock.....	G.T.R.	1884 to 1909	Perpetual	60,833,333.33	2,433,333.33
6% Sinking Fund Gold Debtr. Bonds.....	G.T.R.	Sept. 1, 1921	Sept. 1, 1936	.....	968,800.00
3% 1st Mtge. Bonds (ex. Gov't. holdings)...	G.T.P.	July 1, 1905	Jan. 1, 1962	34,992,000.00	1,049,760.00
4% Sterling Bonds.....	G.T.P.	July 1, 1914	Jan. 1, 1962	8,440,848.00	337,633.92
3% 1st Mortgage Debenture Stock.....	Can. Nor.	July 29, 1903	July 10, 1953	9,359,996.72	280,799.86
3½% 1st Mortgage Debenture Stock.....	Can. Nor.	March 1910	July 20, 1958	7,896,546.21	276,379.37
6½% Sinking Fund Debenture Bonds.....	Can. Nor.	July 1, 1921	July 1, 1946	24,238,000.00	1,575,470.00
3½% 1st Mortgage Debenture Stock.....	C.N.A.	Mar. 22, 1911	May 4, 1960	3,149,998.66	110,249.94
3½% 1st Mortgage Debenture Stock.....	C.N.O.	Dec. 8, 1911	May 19, 1961	34,229,996.87	1,198,049.84
5% Equipment Trust—Series "G".....	Can. Nat.	Aug. 1, 1923	Ser. 1, 8, '38	3,000,000.00	175,000.00
5% 30 year Guaranteed Bonds.....	Can. Nat.	Feb. 1, 1924	Feb. 1, 1954	50,000,000.00	2,500,000.00
2% 1927 Guaranteed Debenture Stock.....	Can. Nat.	July 1, 1926	By tenders	24,205,685.53	493,949.30
4½% 30 year Guaranteed Gold Bonds.....	Can. Nat.	July 1, 1927	July 1, 1957	65,000,000.00	2,925,000.00
5% 40 year Guaranteed Gold Bonds.....	Can. Nat.	July 1, 1929	July 1, 1969	60,000,000.00	3,000,000.00
5% 40 year Guaranteed Gold Bonds.....	Can. Nat.	Oct. 1, 1929	Oct. 1, 1969	60,000,000.00	3,000,000.00
5% 40 year Guaranteed Gold Bonds.....	Can. Nat.	Feb. 1, 1930	Feb. 1, 1970	18,000,000.00	900,000.00
4¾% 25 year Guaranteed Gold Bonds.....	Can. Nat.	June 15, 1930	June 15, 1955	50,000,000.00	2,375,000.00
4½% 25 year Guaranteed Gold Bonds.....	Can. Nat.	Feb. 1, 1931	Feb. 1, 1956	70,000,000.00	3,150,000.00
4½% 20 year Guaranteed Gold Bonds.....	Can. Nat.	Sept. 1, 1931	Sept. 1, 1951	50,000,000.00	2,250,000.00
3% 16 year Guaranteed Bonds.....	Can. Nat.	Dec. 15, 1934	Dec. 15, 1950	20,500,000.00	615,000.00
2% Temporary Guaranteed Bond.....	Can. Nat.	Feb. 15, 1935	Jan. 30, 1936	.....	9,240.29
2% 3 year Guaranteed Bonds.....	Can. Nat.	May 1, 1935	May 1, 1938	13,400,000.00	268,000.00
3% 9 year Guaranteed Bonds.....	Can. Nat.	May 1, 1935	May 1, 1944	35,000,000.00	1,050,000.00
2% 7 year Guaranteed Bonds.....	Can. Nat.	Feb. 15, 1936	Feb. 15, 1943	55,000,000.00	953,438.36
3% 17 year Guaranteed Bonds.....	Can. Nat.	Feb. 15, 1936	Feb. 15, 1953	25,000,000.00	649,779.87
Total Issues guaranteed by Dominion Government.....				\$937,620,213.66	\$39,100,184.52
GUARANTEED BY PROVINCE OF NEW BRUNSWICK:					
4% 1st Mortgage Debenture Stock.....	St.J. & Q.	May 14, 1912	June 1, 1962	2,727,977.40	109,119.10
GUARANTEED BY PROVINCE OF ONTARIO:					
3½% 1st Mortgage Debenture Stock.....	C.N.O.	1906 and 1908	1936 and 1938	6,725,485.13	256,305.40
GUARANTEED BY PROVINCE OF MANITOBA:					
4% Winnipeg Terminal Bonds.....	Can. Nor.	July 1, 1909	July 1, 1939	3,000,000.00	120,000.00
GUARANTEED BY PROVINCE OF SASKATCHEWAN:					
4% 1st Mortgage Bonds.....	G.T.P.B.L.	May 1, 1909	Jan. 22, 1939	9,874,062.00	394,962.48
4% 1st Mortgage Debenture Stock.....	Can. Nor.	June 12, 1909	Jan. 23, 1939	8,029,999.99	321,200.00
GUARANTEED BY PROVINCE OF ALBERTA:					
4% 1st Mortgage Bonds.....	G.T.P.B.L.	May 1, 1912	Feb. 15, 1942	1,153,764.00	46,150.56
4% 1st Mortgage Bonds.....	G.T.P.B.L.	May 1, 1909	Feb. 25, 1939	2,430,000.00	97,200.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.	June 10, 1909	Feb. 25, 1939	5,586,665.64	223,466.62
4½% 1st Mtge. Debtr. Stock and Bonds...	C.N.W.	Mar. 1914	Oct. 22, 1943	2,799,997.73	125,999.90
4½% 1st Mtge. Debtr. Stock and Bonds...	C.N.W.	Feb. 1914	Feb. 16, 1942	6,424,000.00	289,080.00
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st Mortgage Debenture Stock.....	C.N.P.	Nov. 16, 1911	April 2, 1950	16,412,001.13	656,480.07
4½% Terminal Debenture Stock.....	C.N.P.	1913 and 1914	April 2, 1950	8,614,000.00	387,630.00
Total Issues guaranteed by Provincial Governments.....				\$73,777,953.02	\$3,027,594.13
Carried forward.....				\$1,011,398,166.68	\$42,127,778.65

FUNDED DEBT — PRINCIPAL AND INTEREST (Continued)

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1936	Interest Accrued 1936
Brought forward.....				\$1,011,398,166.68	\$42,127,778.65
EQUIPMENT TRUST ISSUES:					
6½% Series "F".....	G.T.R.	Feb. 1, 1921	Feb. 1, 1936	.....	51,752.64
4½% " "H".....	Can. Nat.	July 1, 1924	Ser. 1, 7, '39	1,875,000.00	98,437.50
4½% " "J".....	Can. Nat.	May 1, 1927	Ser. 1, 5, '42	6,000,000.00	285,000.00
5% " "K".....	Can. Nat.	May 1, 1929	Ser. 1, 5, '44	9,600,000.00	500,000.00
5% " "G.T.W.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	2,257,000.00	126,331.80
5% " "C.V.R.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	363,000.00	13,581.53
5% " "C.V.R.".....	C.V.	Dec. 14, 1929	Ser. 14, 12, '44	618,000.00	41,443.33
4½% " "L".....	Can. Nat.	June 1, 1930	Ser. 1, 6, '45	9,450,000.00	444,937.50
Dominion of Canada, Chap. 34, 1935.....	Can. Nat.	1936	Ser. '51	6,747,644.35	.....
Total Equipment Trust Issues.....				\$36,910,644.35	\$1,561,484.30
OTHER ISSUES:					
4% Canada Atlantic 1st Mtge. Bonds....	G.T.R.	Jan. 1, 1905	Jan. 1, 1955	16,000,092.00	640,003.68
7% Wellington, Grey & Bruce Bonds....	G.T.R.	July 1, 1869	By Drawings	97,333.33	19,581.25
6% Northern Railway, 3rd Pref. Bonds...	G.T.R.	1868	Perpetual	70,566.66	4,234.00
3¾% 1st Mortgage Bonds.....	N.E. Elev.	July 1, 1901	Ser. 1, 7, '41	50,000.00	2,062.50
4% 1st Mortgage Bonds.....	Port Elev.	Jan. 1, 1897	Ser. 1, 1, '37	5,000.00	200.00
4% 1st Mortgage Bonds.....	Pem. Southn	Sept. 1, 1906	Sept. 1, 1956	150,000.00	6,000.00
4% 2nd Mtge. Bonds Prairie "A".....	G.T.P.	April 1, 1905	April 1, 1955	10,206,000.00	408,240.00
4% 2nd Mtge. Bonds Mountain "B".....	G.T.P.	April 1, 1905	April 1, 1955	9,963,000.00	398,520.00
4% 1st Mtge. Bonds "Lake Superior"....	G.T.P.	April 1, 1905	April 1, 1955	7,533,000.00	301,320.00
4% Perpetual Cons. Debenture Stock....	Can. Nor.	1903 to 1912	Perpetual	44,943,019.40	1,797,720.74
4% Perpetual Cons. Debenture Stock....	C.N.O.	June 21, 1909	Perpetual	8,724,113.20	348,964.50
4% Perpetual Cons. Debenture Stock....	C.N.Q.	Oct. 1, 1906	Perpetual	5,250,369.26	210,014.76
4% 1st Mtge. Perp. Debenture Stock....	Q. & L.St.J.	June 1, 1912	Perpetual	4,252,503.06	170,100.14
4% 1st Mtge. Debenture Stock.....	Q.L.L. & S.	Oct. 17, 1906	July 1, 1936	.....	100,964.71
*5% 1st Mtge. Rent Change Bonds.....	M.R.T. & T.	April 15, 1918	April 15, 1970	.....	31,800.63
4% 1st Mortgage Debenture Stock.....	D.W. & P.	May 1, 1910	June 1, 1939	7,004,997.27	280,199.89
4% 1st Mortgage Bonds.....	G.T.W.	Nov. 30, 1900	July 1, 1950	10,964,416.00	439,049.88
4½% 1st Mtge. Series "A" Bonds.....	G.T.W.	Jan. 1, 1930	Jan. 1, 1980	400,000.00	18,000.00
*4½% 1st Mortgage S.F. Gold Bonds....	N.T.R.B.L.	Dec. 23, 1927	Oct. 1, 1955	.....	80,302.50
4% Indebtedness of S.S. & C. Co.....	C.V.Ry.	Aug. 27, 1858	Optional	155,865.25	6,234.61
4% 1st Mortgage Gold Bonds.....	M. & P.L.	Oct. 1, 1900	Oct. 1, 1950	200,000.00	8,000.00
3½% 1st Mtge. Guar. Debtr. Bonds....	H & S.W.	Oct. 1, 1912	Sept. 30, 1942	4,447,000.00	155,645.00
5% Indebtedness to Province of N.B....	Can. Nat.	Sept. 3, 1929	Various	1,364,022.60	68,201.13
5% 1st Mtge. Sinking Fund Gold Bonds..	R.&R.C.Co.	April 1, 1908	April 1, 1938	939,000.00	S.O.P.
Indebtedness to State of Michigan.....	G.T.W.	July 20, 1927	Serially 1945	3,583,139.53	No Interest
Total Other Issues.....				\$136,303,437.56	\$5,495,359.92
Total Debt held by Public (including therein \$5,830,467.93 par value held in Special Funds and Accounts) as per Balance Sheet.....				\$1,184,612,248.59	\$49,184,622.87

NOTE: These obligations are stated in Canadian currency-Sterling and United States currencies being converted at the par of exchange.

*Called in 1936 prior to date of maturity.

LOANS FROM DOMINION OF CANADA

	Principal Outstanding at December 31st, 1936	Accrued Interest 1936
CANADIAN NORTHERN RAILWAY:		
3½% Loan, Chap. 6, 1911.....	\$2,396,099.68	\$ 83,863.48
4% Loan, Chap. 20, 1914.....	5,294,000.02	211,760.00
5% Loan, Chap. 4, 1915.....	10,000,000.00	500,000.00
6% Loan, Chap. 29, 1916.....	15,000,000.00	900,000.00
6% Loan, Chap. 24, 1917.....	25,000,000.00	1,500,000.00
6% Loan, Vote 110, 1918.....	25,000,000.00	1,500,000.00
6% Loan, Vote 108, 1919.....	35,000,000.00	2,100,000.00
6% Loan, Vote 127, 1920.....	48,611,077.00	2,916,664.62
6% Loan, Vote 126, 1921.....	44,419,806.42	2,665,188.38
6% Loan, Vote 136, 1922.....	42,800,000.00	2,568,000.00
6% Loan, 1918 War Measures Act.....	1,887,821.16	113,269.26
	\$255,408,804.28	
GRAND TRUNK RAILWAY:		
6% Loan, Vote 478, 1920.....	\$25,000,000.00	1,500,000.00
6% Loan, Vote 126, 1921.....	55,293,435.18	3,317,606.10
6% Loan, Vote 137, 1922.....	23,288,747.15	1,397,324.82
4% Loan to G.T.P. Rly. Chap. 23, 1913.....	15,000,000.00	600,000.00
	118,582,182.33	
GRAND TRUNK PACIFIC RAILWAY:		
6% Loan, Chap. 4, 1915.....	\$ 6,000,000.00	360,000.00
3% Bonds, Chap. 24, 1913.....	33,048,000.00	991,440.00
6% Loan, Vote 441, 1916.....	7,081,783.45	273,350.60
6% Loan, Vote 444, 1917.....	5,038,053.72	251,764.42
6% Loan, Vote 110, 1918.....	7,471,399.93	347,246.40
Receiver Account O.C. 26th March, 1919.....	45,764,162.35	2,745,849.74
Interest guaranteed by Dominion of Canada.....	8,704,662.65	
Interest guaranteed by Provinces of Alta. & Sask.....	2,898,536.98	
	116,006,599.08	
PURCHASE OF RAILWAY EQUIPMENT:		
6% Loan, Chap. 38, 1918.....	\$13,962,639.21	837,079.70
6% Loan, Vote 96, 1919.....	23,379,655.27	1,401,732.76
6% Loan, Vote 115, 1920.....	15,541,406.96	930,205.58
6% Loan, Vote 113, 1921.....	1,726,493.59	103,543.40
6% Loan, Vote 115, 1922.....	2,315,805.79	138,948.34
	56,926,000.82	
CANADIAN NATIONAL RAILWAYS:		
6% Loan, Vote 139, 1923.....	\$24,550,000.00	958,112.97
5% Loan, Vote 137, 1924.....	10,000,000.00	300,474.47
5% Loan, Vote 377, 1925.....	10,000,000.00	511,183.74
5% Loan, Vote 372, 1926.....	10,000,000.00	434,886.28
5% Loan, Vote 336, 1929.....	2,932,652.91	146,632.64
5% & 5¼% Loan, Chaps. 22, 1931, 6, 1932.....	41,121,216.41	2,113,863.86
Expenditures on Hudson Bay Railway and sundry Government Harbour Works.....	1,666,897.57	
	96,936,971.75	
	\$643,860,558.26	
5¼% Loan, Chap. 25, 1932.....	\$8,077,338.33	424,060.26
4¾% Loan, Chap. 34, 1933.....	8,228,101.10	390,834.80
4½% Loan, Chap. 28, 1934.....	10,747,973.98	483,658.82
4% Loan, Chap. 17, 1935.....	7,293,065.84	288,641.48
3½% Loan, Chap. 27, 1936.....	7,011,230.75	121,686.67
Loan, S.P.W.C. Act 1935.....	789,061.77	
	42,146,771.77	
	\$686,007,330.03	\$36,428,873.59

TEMPORARY LOANS FROM DOMINION OF CANADA FOR REDEMPTION OF FUNDED DEBT, PENDING REFUNDING— INTEREST PAID BY RAILWAY.

CANADIAN NATIONAL RAILWAYS.....	\$35,076,695.20	\$ 527,682.21
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INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by		Book Value
		Can.	Nat. System	
"A"—STOCKS:				
Atlantic and St. Lawrence Rail Road Company.....	\$5,480,700.00	\$	224.33	\$ 176.53
The Belt Railway Company of Chicago.....	3,120,000.00		240,000.00	240,000.00
Canadian Airways, (Limited) (no par value).....	129,753 shares		10,000 shares	50,000.00
Canadian Government Merchant Marine, Limited.....	100,300.00		300.00	300.00
Central Vermont Transportation Company.....	200,000.00		50,000.00	20,000.00
Chicago & Western Indiana Railroad Company.....	5,000,000.00		1,000,000.00	1,000,000.00
The Detroit & Toledo Shore Line Railroad Company.....	3,000,000.00		1,500,000.00	2,142,000.00
Detroit Terminal Railroad Company.....	2,000,000.00		1,000,000.00	1,000,000.00
Northern Alberta Railways Company.....	625,000.00		312,500.00	312,500.00
The Ontario Car Ferry Company (Limited).....	500,000.00		250,000.00	179,007.53
Public Markets Limited.....	1,150,000.00		575,000.00	575,000.00
Railway Express Agency, Incorporated (no par value).....	1,000 shares		7 shares	700.00
The Toronto Terminals Railway Company.....	250,000.00		250,000.00	250,000.00
The Toledo Terminal Railroad Company.....	4,000,000.00		387,200.00	387,200.00
				<u>\$6,156,884.06</u>
"B"—BONDS:				
Atlantic and St. Lawrence Rail Road Company.....	\$3,000,000.00	\$3,000,000.00		\$3,012,040.00
The Detroit & Toledo Shore Line R.R. Co. 1st Mtge. Bonds.....	3,000,000.00		587,000.00	571,615.00
Northern Alberta Railways Co. First Mortgage Bonds.....	14,470,000.00		7,235,000.00	7,235,000.00
The Toronto Terminals Railway Co. First Mortgage Bonds.....	23,724,800.00		11,862,400.00	11,862,400.00
				<u>\$22,681,055.00</u>
"D"—ADVANCES:				
Chicago & Western Indiana Railroad Company.....				\$1,116,117.78
The Railroad Credit Corporation.....				248,455.09
Railway Express Agency, Incorporated.....				64,267.21
The Toronto Terminals Railway Company.....				1,375,658.16
				<u>\$2,804,498.24</u>
Total per Balance Sheet.....				<u>\$31,642,437.30</u>

MAJOR CONTINGENT LIABILITIES IN RESPECT OF AFFILIATED AND OTHER COMPANIES

NORTHERN ALBERTA RAILWAYS COMPANY:

The Canadian National Railway Company owns \$3,125,000 of the Capital Stock of the Railways Company on which total call to date has been 10%.

Under agreement of purchase dated 6th February, 1929, Canadian National Railway Company became liable for one-half of the purchase consideration. This obligation was later assumed by Northern Alberta Railways Company which took title to the property. The future commitment of the Canadian National Railway Company is \$7,500,000 in respect to the purchase and, in addition 50% of the annual deficit.

THE DETROIT & TOLEDO SHORE LINE RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company as joint and several guarantor by indorsement of principal and interest of \$3,000,000 First Mortgage 4% 50 year Gold Bonds due 1953.

THE TOLEDO TERMINAL RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company in respect of \$5,800,000 First Mortgage 4½% 50 year Gold Bonds due 1957. The guarantee is as to interest only and is several and not joint. Grand Trunk Western's proportion is 9.68%.

CHICAGO AND WESTERN INDIANA RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company pursuant to joint supplemental lease dated July 1, 1902, between Grand Trunk Western Railway Company and four other proprietary companies. Obligation is for repayment of principal of bonds at their maturity, and of interest as it falls due by way of annual rentals. The Grand Trunk Western's obligation is for one-fifth of the bonds issued for "common" property and the entire amount of bonds issued for its "exclusive" property. The bonds are Consolidated Mortgage 50 year 4% Bonds due 1952 and the amounts outstanding at December 31st, 1936, are:—

Issued for "common" property.....	\$39,973,019.39
" " "exclusive" property.....	252,535.36

Assumed by Grand Trunk Western Railroad Company pursuant to joint supplemental lease dated March 1st, 1936 between Grand Trunk Western Railroad Company and other proprietary companies. Obligation is to pay as rental sinking fund payments sufficient to retire bonds at maturity and interest as it falls due. The Grand Trunk Western's proportion is one-fifth in the absence of default of any of four other tenant companies. The bonds are First and Refunding Mortgage 4¼% Series "D" Sinking Fund Bonds due 1962 and the amount outstanding at December 31, 1936 is \$22,922,000.

DOMINION AGRICULTURAL CREDIT COMPANY LIMITED:

Canadian National Railway Company owns \$500,000 of the Capital Stock of the Company on which total call to date has been 10%.

CANADIAN GOVERNMENT RAILWAYS:

WORKMEN'S COMPENSATION AWARDS

Under authority of Privy Council Order dated January 20th, 1923, operation of the Canadian Government Railways was entrusted to Canadian National Railway Company by the Dominion Government.

Prior to entrustment no provision was made in Canadian Government Railways' accounts for capitalized liability arising from Awards of the several Provincial Workmen's Compensation Boards, the accounts being charged only with the monthly compensation awarded employees as paid. This practice has been continued under operation by Canadian National Railway Company on behalf of the Government.

The above are the contingent liabilities referred to on the Balance Sheet certified by us on the 10th March, 1937.

GEORGE A. TOUCHE & COMPANY.
Chartered Accountants.

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Owned by Government Owned by <i>Public</i>
CANADIAN NATIONAL RAILWAY COMPANY.....	\$180,424,327.70	\$14,796,589.00	☐ \$165,627,738.70
*Canada Atlantic Transit Company.....	219,000.00	219,000.00	
*Canada Atlantic Transit Company of U.S.....	250,000.00	250,000.00	
The Canadian Express Company.....	1,768,800.00	1,768,800.00	
Canadian National Land Settlement Association.....	—	—	
*Canadian National Railways (France).....	2,007,400.00	2,007,400.00	
Canadian National Rolling Stock Limited.....	50,000.00	50,000.00	
*Canadian National Transportation Limited.....	500.00	500.00	
The Champlain and St. Lawrence Railroad Company.....	50,000.00	50,000.00	
International Bridge Company.....	1,500,000.00	1,500,000.00	
The Maganetawan River Railway Company.....	30,000.00	30,000.00	
Manitoba Northern Railway Company.....	500,000.00	500,000.00	
*Montreal Fruit & Produce Terminal Company, Limited.....	500.00	500.00	
*Montreal and Southern Counties Railway Company.....	500,000.00	310,500.00	189,500.00
*The Montreal Stock Yards Company.....	350,000.00	350,000.00	
*The Montreal Warehousing Company.....	236,000.00	223,460.00	12,540.00
*National Terminals of Canada, Limited.....	2,500.00	2,500.00	
National Transcontinental Railway Branch Lines Company.....	500.00	500.00	
New England Elevator Company.....	400,000.00	400,000.00	
*The Oshawa Railway Company.....	40,000.00	40,000.00	
The Ottawa Terminals Railway Company.....	250,000.00	250,000.00	
The Pembroke Southern Railway Company.....	107,800.00	90,600.00	17,200.00
Portland Elevator Company.....	50,000.00	50,000.00	
*Prince Charles, Limited.....	10,000.00	10,000.00	
*Prince David, Limited.....	10,000.00	10,000.00	
*Prince George, Limited.....	10,000.00	10,000.00	
*Prince Henry, Limited.....	10,000.00	10,000.00	
*Prince John, Limited.....	10,000.00	10,000.00	
*Prince Robert, Limited.....	10,000.00	10,000.00	
*Prince Rupert, Limited.....	10,000.00	10,000.00	
*Prince William, Limited.....	10,000.00	10,000.00	
*Rail & River Coal Company.....	2,000,000.00	2,000,000.00	
St. Clair Tunnel Company.....	700,000.00	700,000.00	
*The Thousand Islands Railway Company.....	60,000.00	60,000.00	
The Toronto Belt Line Railway Company.....	50,000.00	33,400.00	16,600.00
The United States and Canada Rail Road Company.....	219,400.00	218,925.00	475.00
Vermont and Province Line Railroad Company.....	200,000.00	200,000.00	
Total Canadian National Railway Group.....	\$192,046,727.70	\$26,182,674.00	\$165,864,053.70
THE CANADIAN NORTHERN RAILWAY COMPANY.....	\$101,000,600.00	\$1,000,000.00	\$100,000,600.00
The Bay of Quinté Railway Company.....	1,395,000.00	1,395,000.00	
The Bessemer and Barry's Bay Railway Company.....	125,000.00	125,000.00	
The Canadian Northern Alberta Railway Company.....	3,000,000.00	3,000,000.00	
The Canadian Northern Railway Express Company, Limited.....	1,000,000.00	1,000,000.00	
Canadian Northern Manitoba Railway Company.....	250,000.00	250,000.00	
The Canadian Northern Ontario Railway Company.....	10,000,000.00	10,000,000.00	
Canadian Northern Pacific Railway Company.....	25,000,000.00	25,000,000.00	
The Canadian Northern Quebec Railway Company.....	9,550,000.00	5,700,800.00	3,849,200.00
*Canadian National Realities, Limited.....	40,000.00	40,000.00	
Canadian Northern Steamships, Limited.....	2,000,000.00	2,000,000.00	
*Canadian National Electric Railways.....	1,750,000.00	1,750,000.00	
Canadian National Express Company.....	1,000,000.00	1,000,000.00	
Canadian Northern System Terminals (Limited).....	2,000,000.00	2,000,000.00	
Canadian National Telegraph Company.....	500,000.00	500,000.00	
Canadian Northern Western Railway Company.....	2,000,000.00	2,000,000.00	
The Central Ontario Railway.....	3,331,000.00	3,329,000.00	2,000.00
*Continental Realty & Holding Company.....	90,000.00	90,000.00	
*The Dalhousie Navigation Company, Limited.....	50,000.00	50,000.00	
Duluth, Winnipeg & Pacific Railroad Company.....	100,000.00	100,000.00	
Duluth, Winnipeg & Pacific Railway Company.....	3,100,000.00	3,100,000.00	
*Duluth and Virginia Realty Company.....	45,000.00	45,000.00	
Duluth, Rainy Lake & Winnipeg Railway Company.....	2,000,000.00	2,000,000.00	
The Great North Western Telegraph Company of Canada.....	373,625.00	35,200.00	6,925.00
The Great North Western Telegraph Company of Canada (Held in Escrow).....		331,500.00	
The Halifax and South Western Railway Company.....	1,000,000.00	1,000,000.00	
Carried forward.....	\$170,700,225.00	\$66,841,500.00	\$103,858,725.00

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM—Continued

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Owned by Government Owned by <i>Public</i>
Brought forward.....	\$170,700,225.00	\$66,841,500.00	\$103,858,725.00
The Irondale, Bancroft and Ottawa Railway Company	53,500.00	53,000.00	500.00
The James Bay and Eastern Railway Company.....	125,000.00	125,000.00	
The Lake Superior Terminals Company Limited.....	500,000.00	500,000.00	
*Market Gardens Limited.....	200,000.00	200,000.00	
The Marmora Railway and Mining Company.....	128,600.00	128,600.00	
The Minnesota and Manitoba Railroad Company.....	400,000.00	400,000.00	
The Minnesota and Ontario Bridge Company.....	100,000.00	100,000.00	
Mount Royal Tunnel and Terminal Company, Limited.....	5,000,000.00	5,000,000.00	
*The Niagara, St. Catharines and Toronto Railway Company.....	925,000.00	925,000.00	
*The Niagara, St. Catharines and Toronto Navigation Company (Limited).....	100,000.00	100,000.00	
The Quebec and Lake St. John Railway Company.....	4,508,300.00	4,019,140.00	489,160.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steam- boat Company.....	201,000.00	201,000.00	
St. Boniface Western Land Company.....	250,000.00	250,000.00	
The St. Charles and Huron River Railway Company.....	1,000.00	1,000.00	
The Winnipeg Land Company Limited.....	100,000.00	100,000.00	
Total Canadian Northern Railway Group.....	\$183,292,625.00	\$78,944,240.00	\$104,348,385.00
THE GRAND TRUNK PACIFIC RAILWAY COMPANY.....	\$24,940,200.00	\$24,940,200.00	
The Grand Trunk Pacific Branch Lines Company.....	200,000.00	200,000.00	
The Grand Trunk Pacific Saskatchewan Railway Company.....	20,000.00	20,000.00	
*The Grand Trunk Pacific Development Company, Limited.....	3,000,000.00	3,000,000.00	
*Canadian National Steamship Company, Limited.....	15,000.00	15,000.00	
*Grand Trunk Pacific Terminal Elevator Company, Limited.....	501,000.00	501,000.00	
*Grand Trunk Pacific Dock Company, of Seattle.....	150,000.00	150,000.00	
Total Grand Trunk Pacific Railway Group.....	\$28,826,200.00	\$28,826,200.00	
GRAND TRUNK WESTERN RAILROAD COMPANY (Common).....	\$20,000,000.00	\$20,000,000.00	
Grand Trunk Western Railroad Company (Preferred).....	25,000,000.00	25,000,000.00	
Cincinnati, Saginaw and Mackinaw Rail Road Company.....	1,500,000.00	1,500,000.00	
*Muskegon Railway and Navigation Company.....	161,293.00	161,293.00	
Grand Trunk-Milwaukee Car Ferry Company.....	200,000.00	200,000.00	
*Chicago, New York and Boston Refrigerator Company.....	1,129,400.00	1,129,400.00	
*Consolidated Land Corporation.....	64,000.00	64,000.00	
*Industrial Land Company.....	1,000.00	1,000.00	
Total Grand Trunk Western Railroad Group.....	\$48,055,693.00	\$48,055,693.00	
CENTRAL VERMONT RAILWAY, INC.	\$10,000,000.00	\$10,000,000.00	
*Central Vermont Airways, Inc.....	5,000.00	5,000.00	
*Central Vermont Terminal, Inc.....	5,000.00	5,000.00	
*The Centmont Corporation.....	196,400.00	196,400.00	
*Bethel Granite Railway Company.....	25,000.00	25,000.00	
*Brooksey Realty Company.....	2,000.00	2,000.00	
Montreal and Province Line Railway Company.....	1,000,000.00	1,000,000.00	
The Montreal and Vermont Junction Railway Company.....	197,300.00	197,300.00	
The Stanstead, Shefford and Chambly Railroad Company.....	608,333.33	608,333.33	
Total Central Vermont Railway Group.....	\$12,039,033.33	\$12,039,033.33	
SUMMARY			
Canadian National Railway Group.....	\$192,046,727.70	\$26,182,674.00	\$165,864,053.70
Canadian Northern Railway Group.....	183,292,625.00	78,944,240.00	104,348,385.00
Grand Trunk Pacific Railway Group.....	28,826,200.00	28,826,200.00	
Grand Trunk Western Railroad Group.....	48,055,693.00	48,055,693.00	
Central Vermont Railway Group.....	12,039,033.33	12,039,033.33	
	\$464,260,279.03	\$194,047,840.33	# \$270,212,438.70

The accounts of Companies indicated () are includible in the System Income Account as "Separately Operated Properties."

□ One Certificate for \$180,424,327.70 of the Company's Capital Stock is issued in the name of His Majesty as representing \$165,627,738.70 of Grand Trunk Stock previously held by the Public and \$14,796,589.00 previously held in that Company's treasury.

\$265,628,338.70 of this amount is owned by the Dominion of Canada, \$4,584,100.00 by the Public.

STATEMENT OF REVENUE TONNAGE BY COMMODITIES FOR YEARS 1936-1935.

	Year 1936	Year 1935	Increase or Decrease	
	Tons	Tons	Tons	Percents
AGRICULTURAL PRODUCTS:				
Wheat.....	4,015,989	3,864,694	151,295	3.91
Corn.....	459,299	281,086	178,213	63.40
Oats.....	454,284	470,530	16,246	3.45
Barley.....	501,088	256,629	244,459	95.26
Rye.....	37,542	27,724	9,818	35.41
Flaxseed.....	30,736	18,719	12,017	64.20
Other Grain.....	22,579	33,583	11,004	32.77
Flour.....	706,160	659,153	47,007	7.13
Other Mill Products.....	997,115	893,874	103,241	11.55
Hay and Straw.....	156,263	254,136	97,873	38.51
Cotton.....	62,012	54,803	7,209	13.15
Apples (Fresh).....	85,538	93,153	7,615	8.17
Other Fruit (Fresh).....	234,343	244,916	10,573	4.32
Potatoes.....	175,413	149,706	25,707	17.17
Other Fresh Vegetables.....	158,266	135,310	22,956	16.97
Other Agricultural Products.....	516,806	455,631	61,175	13.43
Total.....	8,613,433	7,893,647	719,786	9.12
ANIMAL PRODUCTS:				
Horses.....	34,770	26,366	8,404	31.87
Cattle and Calves.....	318,326	270,543	47,783	17.66
Sheep.....	19,267	19,879	612	3.08
Hogs.....	126,414	100,619	25,795	25.64
Dressed Meats (Fresh).....	203,461	174,890	28,571	16.34
Dressed Meats (Cured, Salted, Canned).....	59,141	49,732	9,409	18.92
Other Packing House Products (Edible).....	85,685	69,683	16,002	22.96
Poultry.....	21,465	18,080	3,385	18.72
Eggs.....	35,587	37,493	1,906	5.08
Butter.....	55,834	55,878	44	0.08
Cheese.....	25,778	21,554	4,224	19.60
Wool.....	20,376	20,681	305	1.47
Hides and Leather.....	60,784	62,159	1,375	2.21
Other Animal Products (Non-Edible).....	53,856	50,049	3,807	7.61
Total.....	1,120,744	977,606	143,138	14.64
MINE PRODUCTS:				
Anthracite Coal.....	1,455,850	1,435,566	20,284	1.41
Bituminous Coal.....	5,964,042	5,501,485	462,557	8.41
Lignite Coal.....	1,331,355	1,280,211	51,144	3.99
Coke.....	704,273	614,321	89,952	14.64
Iron Ores.....	5,632	8,596	2,964	34.48
Copper Ore and Concentrates.....	8,318	5,613	2,705	48.19
Other Ores and Concentrates.....	939,835	416,477	523,358	125.66
Base Bullion, Matte, Pig and Ingot (Non-ferrous Metals).....	335,668	325,506	10,162	3.12
Sand and Gravel.....	1,214,258	846,231	368,027	43.49
Stone (Crushed, Ground, Broken).....	1,013,161	500,529	512,632	102.42
Slate, Dimension or Block Stone.....	99,784	118,144	18,360	15.54
Crude Petroleum.....	276,993	266,657	10,336	3.88
Asphalt (Natural, By-Product Petroleum).....	142,723	137,332	5,391	3.93
Salt.....	302,784	291,587	11,197	3.84
Other Mine Products.....	896,927	1,092,906	195,979	17.93
Total.....	14,691,603	12,841,161	1,850,442	14.41

REVENUE TONNAGE BY COMMODITIES Continued

	Year 1936	Year 1935	Increase or Decrease	
	Tons	Tons	Tons	Percents
FOREST PRODUCTS:				
Logs, Posts, Poles, Piling.....	345,614	334,393	11,221	3.36
Cordwood and Other Firewood.....	755,232	745,629	9,603	1.29
Ties.....	42,228	30,775	11,453	37.22
Pulpwood.....	1,402,058	1,432,343	30,285	2.11
Lumber, Timber, Box, Crate and Cooperage Material.....	2,283,815	1,953,762	330,053	16.89
Other Forest Products.....	204,502	232,915	28,413	12.20
Total.....	5,033,449	4,729,817	303,632	6.42
MANUFACTURES AND MISCELLANEOUS:				
Gasoline.....	1,027,038	1,021,005	6,033	0.59
Petroleum Oils and Other Petroleum Products (except Asphalt and Gasoline)	625,612	646,561	20,949	3.24
Sugar.....	198,871	187,042	11,829	6.32
Iron, Pig and Bloom.....	152,654	123,811	28,843	23.30
Rails and Fastenings.....	14,607	13,806	801	5.80
Iron and Steel (Bar, Sheet, Structural, Pipe).....	1,280,914	1,102,493	178,421	16.18
Castings, Machinery and Boilers.....	136,539	103,665	32,874	31.71
Cement.....	348,841	272,793	76,048	27.88
Brick and Artificial Stone.....	131,194	95,762	35,432	37.00
Lime and Plaster.....	223,915	185,368	38,547	20.79
Sewer Pipe and Drain Tile.....	25,263	20,814	4,449	21.38
Agricultural Implements and Vehicles other than Autos.....	102,254	87,786	14,468	16.48
Automobiles, Auto Trucks and Auto Parts.....	1,726,170	1,610,876	115,294	7.16
Household Goods and Settlers' Effects.....	26,033	28,888	2,855	9.88
Furniture.....	25,694	21,201	4,493	21.19
Beverages.....	148,572	127,669	20,903	16.37
Fertilizers, all kinds.....	346,650	306,316	40,334	13.17
Newsprint Paper.....	1,175,192	974,031	201,161	20.65
Other Paper.....	199,424	185,807	13,617	7.33
Paper Board, Pulpboard and Wallboard (Paper).....	250,246	221,868	28,378	12.79
Woodpulp.....	783,527	692,769	90,758	13.10
Fish (Fresh, Frozen, Cured, etc.).....	63,802	58,020	5,782	9.97
Canned Goods (All canned food products except meats).....	264,708	250,446	14,262	5.69
Other Manufactures and Miscellaneous.....	3,347,292	2,790,734	556,558	19.94
Merchandise (All L.C.L. Freight).....	1,366,811	1,235,956	130,855	10.59
Total.....	13,991,823	12,365,487	1,626,336	13.15
Grand Total.....	43,451,052	38,807,718	4,643,334	11.96

DETAILS OF RAILWAY EQUIPMENT

	December 31, 1935	Additions During Year	Retirements During Year	Conversions During Year Added	Retired	December 31, 1936
LOCOMOTIVES:						
Passenger—Freight.....	2,231	15	31			2,215
Switching.....	495		14			481
Electric Locomotives.....	15					15
Oil and Gas Electric.....	5					5
Total.....	2,746	15	45			2,716
FREIGHT EQUIPMENT:						
Box Cars.....	69,832	400	880	674	1,144	68,882
Flat Cars.....	5,716		93		115	5,508
Stock Cars.....	4,007		718	249		3,538
Coal Cars.....	12,414	369	77	100		12,806
Tank Cars.....	180		4		9	167
Refrigerator Cars.....	3,382	450	313			3,519
Caboose Cars.....	1,539		49	1	1	1,490
Other Cars in Freight Service.....	118		35			83
Total.....	97,188	1,219	2,169	1,024	1,269	95,993
PASSENGER EQUIPMENT:						
First Class Cars.....	749		5		1	743
Second Class Cars.....	170				14	156
Combination Cars.....	278	2	2		1	277
Immigrant Cars.....	295				20	275
Dining Cars.....	100				1	99
Parlor Cars.....	152		3	4	2	151
Sleeping Cars.....	326				3	323
Postal Cars.....	58				5	53
Baggage and Express Cars.....	780		4	5		781
Unit Cars.....	54				1	53
Other Cars in Passenger Service.....	108			3		111
Total.....	3,070	2	14	12	48	3,022
WORK EQUIPMENT:						
Unit Cars (Track Inspection).....	1					1
Business Cars.....	69					69
All Other Cars in Company's Service.....	5,845	64	408	286	5	5,782
Total.....	5,915	64	408	286	5	5,852
FLOATING EQUIPMENT:						
Motor Ship.....	1					1
Car Ferries.....	11					11
Barges.....	7					7
Tugs.....	6					6
Work.....	2					2

STATISTICS OF RAIL-LINE OPERATION

TRANSPORTATION SERVICE

	Freight		Passenger		Total
	1936	1935	1936	1935	
TRAIN MILES.....	28,312,940	26,499,513	18,174,203	17,752,240	46,487,143
LOCOMOTIVE MILES:					
Principal.....	28,320,000	26,511,286	16,722,832	16,169,664	45,042,832
Helper.....	420,825	381,217	105,479	76,947	526,304
Light.....	501,660	424,417	260,316	252,404	761,976
Train Switching.....	2,740,512	2,542,774	59,330	61,193	2,799,842
Yard Switching.....	9,451,358	8,698,286	996,517	974,748	10,447,875
TOTAL.....	41,434,355	38,557,980	18,144,474	17,534,956	59,578,829
CAR MILES:					
Loaded freight cars.....	687,437,945	630,951,060	77,624	.....	687,515,569
Empty freight cars.....	308,759,202	292,163,484	18,247	.....	308,777,449
Passenger Coach and Combination cars.....	8,957,284	8,713,473	41,126,666	38,849,631	50,083,950
Sleeping, Parlor and Observation cars.....	983,348	944,544	34,414,951	32,816,500	35,398,299
Dining Cars.....	23,972	24,999	4,487,747	4,191,080	4,511,719
Other Cars.....	7,810,532	7,529,785	42,704,698	41,090,156	50,515,230
Motor Unit Cars.....	5,504	1,992	1,470,300	1,607,174	1,475,804
Caboose.....	26,725,323	24,836,380	275,455	269,250	27,000,778
TOTAL.....	1,040,703,110	965,165,717	124,575,688	118,823,791	1,165,278,798
					1,083,989,508

WORK SERVICE

Train Miles		Locomotive Miles		Car Miles	
1936	1935	1936	1935	1936	1935
1,807,781	1,231,054	2,118,723	1,418,725	3,351,888	2,325,882

STATISTICS OF RAIL-LINE OPERATION

	1936	1935
Average mileage of road operated.....	23,554.23	23,651.85
TON-MILES AND TRAIN-HOURS IN ROAD SERVICE:		
Gross ton-miles of cars, contents and cabooses.....	40,114,174,706	36,700,566,814
Net ton-miles of freight (revenue and non-revenue).....	16,575,091,954	15,133,485,991
Train hours in Freight Road Service.....	1,776,024	1,670,200
REVENUE TRAFFIC:		
Tons of freight carried.....	43,451,052	38,807,718
Ton-miles—Revenue freight.....	14,813,796,415	13,508,955,208
Freight Revenue.....	\$145,488,141.88	\$133,807,546.35
Passengers carried.....	10,098,973	9,721,268
Passenger-miles.....	831,271,084	770,037,180
Passenger revenue.....	\$17,021,745.88	\$16,653,828.87
AVERAGES:		
Miles per revenue ton.....	340.93	348.10
Miles per revenue passenger.....	82.31	79.21
Revenue per ton-mile.....	\$0.00982	\$0.00991
Revenue per passenger-mile.....	\$0.02048	\$0.02163
Revenue per ton.....	\$3.34832	\$3.44796
Revenue per passenger.....	\$1.68549	\$1.71313
AVERAGES PER MILE OF ROAD:		
Ton-miles—Revenue freight.....	628,923	568,318
Ton-miles—All freight.....	704,224	640,106
Passenger-miles—Revenue.....	35,292	32,557
Gross Revenue.....	\$7,922.59	\$7,318.26
Gross expenses.....	\$7,616.65	\$7,004.37
Net Railway operating income.....	\$305.94	\$313.89

EMPLOYEES AND THEIR COMPENSATION

	1936	1935	Increase	% Increase
*Average Number of Employees.....	78,836	75,053	3,783	5.04
*Total Payroll.....	\$111,221,129.00	\$104,861,520.00	\$6,359,609.00	6.06
*Includes railway, express and telegraph employees. Excludes hotel & subsidiary company employees.				

DISTRIBUTION OF THE DOLLAR

	Operating Revenue Dollar		Operating Expense Dollar	
	1936	1935	1936	1935
Labour.....	.5494	.5590	.5979	.6092
Fuel.....	.0898	.0900	.0977	.0981
Other Expenses.....	.2797	.2687	.3044	.2927
Total Operating Expenses.....	.9189	.9177	\$1.00	\$1.00
Available for Taxes and other Accounts.....	.0811	.0823		
Total.....	\$1.00	\$1.00	\$1.00	\$1.00
Maintenance of Way Accounts.....	.2627	.1987	.2206	.2166
Maintenance of Equipment Accounts.....	.2064	.1986	.2246	.2164
Traffic Accounts.....	.0254	.0274	.0276	.0298
Transportation Accounts.....	.4369	.4454	.4754	.4853
Miscellaneous Accounts.....	.0060	.0059	.0065	.0064
General Accounts.....	.0442	.0441	.0481	.0481
Transportation for Investment—Credit.....	.0027	.0024	.0028	.0026
Total Operating Expenses.....	.9189	.9177	\$1.00	\$1.00
Available for Taxes and other Accounts.....	.0811	.0823		
Total.....	\$1.00	\$1.00	\$1.00	\$1.00

OPERATED MILEAGE, DECEMBER 31, 1936

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights				Total Road Mileage				Spurs, Sidings and Yard Tracks
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Track	
Eastern Lines.....	Miles 3,240.17	Miles 45.86		Miles	Miles 6.41	Miles	Miles 82.95	Miles	Miles	Miles	Miles 3,329.53	Miles 45.86	Miles	Miles	Miles 855.47
Central Region (Exc. Lines East of Lewis) and Diamond.....	7,033.47	716.04	15.91	9.82	337.08	9.31	31.82	25.77	2.13	4.10	7,402.37	751.12	18.04	13.92	2,520.19
Western Region.....	10,909.37	91.33			383.65	4.29	58.76	25.18			11,351.78	120.80			2,525.21
Grand Trunk Western Lines.....	905.67	363.18	10.62		60.06	0.03	61.40	6.33	1.36	0.99	1,027.13	369.51	11.98	0.99	809.25
Central Vermont Lines	271.18	0.63			125.18		58.79	32.75			455.15	33.41			168.20
*Total Mileage.....	22,359.86	1,217.04	26.53	9.82	912.38	13.63	293.72	90.03	3.49	5.09	23,565.96	1,320.70	30.02	14.91	6,878.32
Lines in Canada.....	20,952.00	852.66	15.91	9.82	570.39	12.49	165.38	45.44	2.13	4.10	21,687.77	910.59	18.04	13.92	5,738.68
Lines in United States	1,407.86	364.38	10.62		341.99	1.14	128.34	44.59	1.36	0.99	1,878.19	410.11	11.98	0.99	1,139.64

*Separately Operated Lines (Steam & Electric) not included.

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